

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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JOHN W. PARSONS, ESQ., *Executive Director*

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MEMORANDUM

TO: Brockton Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: October 13, 2020

This Commission is hereby furnishing you with approval of the revised funding schedule the Board recently adopted (copy enclosed). The schedule assumes payments are made on July 1 each fiscal year. The schedule is effective in FY21 (since the amount under the prior schedule was maintained in FY21) and is acceptable under Chapter 32.

The revised schedule reflects a 7.75% investment return assumption (the same assumption as used in the January 1, 2018 actuarial valuation). We have generally recommended an assumption of 7.00% to 7.15% for our 2020 actuarial valuations. There are only 13 systems (including Brockton) that currently use an assumption of 7.75% or higher, although we expect some of these will be reduced after the 2020 actuarial valuations are completed. For comparison, there are 89 systems that currently use an assumption of 7.50% or lower. Of these, 57 use an assumption of 7.25% or lower. The 7.75% assumption is outside the high end of our reasonable range of this assumption as of January 1, 2020.

We are available to discuss these issues further. If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446, extension 935.

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SECTION 3 - CHAPTER 32 OF M.G.L. APPROPRIATIONS

Exhibit 3.1 - 30-Year Forecast of Annual Appropriations

Fiscal Year Ending	Employer Normal Cost	Amortization Payment of UAL	Net 3(8)(c) Transfers	Total Employer Cost	Increase over Prior Year	Unfunded Actuarial Accrued Liability
2021	\$6,187,207	\$23,323,779	\$850,000	\$30,360,986		\$282,936,209
2022	6,403,759	24,578,886	1,200,000	32,182,645	6.00%	280,653,054
2023	6,627,890	26,285,714	1,200,000	34,113,604	6.00%	276,890,119
2024	6,859,867	28,100,554	1,200,000	36,160,421	6.00%	271,063,823
2025	7,099,961	31,158,289	1,200,000	39,458,250	9.12%	262,902,136
2026	7,348,461	34,508,382	1,200,000	43,056,843	9.12%	250,933,908
2027	7,605,657	38,177,970	1,200,000	46,983,627	9.12%	234,560,655
2028	7,871,855	42,196,679	1,200,000	51,268,534	9.12%	213,109,343
2029	8,147,370	46,596,853	1,200,000	55,944,223	9.12%	185,824,026
2030	8,432,528	51,413,808	1,200,000	61,046,336	9.12%	151,856,597
2031	8,727,667	56,686,095	1,200,000	66,613,762	9.12%	110,256,563
2032	9,033,136	62,239,839	1,200,000	72,472,975	8.80%	59,959,751
2033	9,349,295	-	1,200,000	10,549,295	-85.44%	-
2034	9,676,521	-	1,200,000	10,876,521	3.10%	-
2035	10,015,199	-	1,200,000	11,215,199	3.11%	-
2036	10,365,731	-	1,200,000	11,565,731	3.13%	-
2037	10,728,532	-	1,200,000	11,928,532	3.14%	-
2038	11,104,031	-	1,200,000	12,304,031	3.15%	-
2039	11,492,672	-	1,200,000	12,692,672	3.16%	-
2040	11,894,916	-	1,200,000	13,094,916	3.17%	-
2041	12,311,238	-	1,200,000	13,511,238	3.18%	-
2042	12,742,131	-	1,200,000	13,942,131	3.19%	-
2043	13,188,106	-	1,200,000	14,388,106	3.20%	-
2044	13,649,689	-	1,200,000	14,849,689	3.21%	-
2045	14,127,429	-	1,200,000	15,327,429	3.22%	-
2046	14,621,889	-	1,200,000	15,821,889	3.23%	-
2047	15,133,655	-	1,200,000	16,333,655	3.23%	-
2048	15,663,333	-	1,200,000	16,863,333	3.24%	-
2049	16,211,549	-	1,200,000	17,411,549	3.25%	-
2050	16,778,953	-	1,200,000	17,978,953	3.26%	-